



Committed to the future of rural communities.

Rural Business-Cooperative Programs

Rural Economic Development Loan and Grant Program

PURPOSE

The purpose of the Rural Development Loan (REDL) and Grant (REDG) Programs is to provide financing to eligible Rural Utilities Service (RUS) electric or telecommunications borrowers (Intermediaries) to promote rural economic development and job creation projects.

DEFINITIONS

Intermediary: An entity that is identified by Rural Utilities Service (RUS) as an eligible borrower under the Rural Electrification Act and obtains a REDG or a REDL.

Ultimate Recipient: An entity or individual that receives a loan from an Intermediary. The ultimate recipient may be a for-profit or not-for-profit entity such as, but not limited to, a sole proprietorship, a corporation, a cooperative, a partnership, or a limited liability company. The ultimate recipient may also be a public body, such as, but not limited to, a political subdivision of a State or locality, or a Federally-recognized Indian tribe.

Revolving Loan Fund: A revolving loan fund that is created with Grant funds and the Intermediary's supplemental contribution under the REDG program that makes loans and uses the loan repayments and interest earnings to make subsequent loans until the Fund is terminated.

Rural Area: Any area other than a city or town that has a population of greater than 50,000 and the urbanized area contiguous and adjacent to such city or town.

APPLICATION PROCESS

Interested ultimate recipients submit a loan application to an eligible Intermediary. The Intermediary then files a loan or grant application with Rural Development. A list of eligible Intermediaries for Wisconsin is available by contacting the Rural Development State Office.

ELIGIBLE PURPOSES *(not a complete list)*

- Business expansions and start-ups
- Community development projects
- Business incubator projects
- Project feasibility studies
- Advanced telecommunications and computer networks for medical and educational services

INELIGIBLE PURPOSES *(not a complete list)*

- Intermediary's own administrative expenses
- Agricultural production
- Community antenna television services or facilities
- Gambling facilities
- Residential purposes

APPLICATION REVIEW

The following factors will be considered during the application review:

- Job creation projections
- Nature of project
- Amount of supplemental funds provided to the project
- Unemployment rates of the area
- Per Capita personal income for the area

Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to USDA, Director, Office of Civil Rights, Washington, DC 20250-9410.

- Change in population of the area
- Rural location
- Plans for improving the marketable skills of people in rural areas
- Amount of funds deposited in the cushion-of-credit account
- Quality and completeness of the application
- Special economic status of the area
- Environmental impact of the project

TERMS & CONDITIONS

Loan Amounts*: Intermediary - \$10,000 to \$740,000
 Ultimate recipient - negotiated between the Intermediary and the ultimate recipient

Grant Amounts*: Intermediary - \$10,000 to \$300,000

Rates: Intermediary - 0%
 Ultimate recipient - negotiated between the Intermediary and the ultimate recipient

Terms: Intermediary - 10 years (principal may be deferred for one year for existing businesses and two years for start-up businesses)
 Ultimate recipient - negotiated between the Intermediary and the ultimate recipient

MATCHING FUNDS

The minimum requirement is 20% of the project or revolving loan fund.

APPLICATION SELECTION

Consideration will be given to applications based on a priority score. Points will be allowed only for factors indicated and well documented, reasonable projects that provide assurance that the items have a high probability of being accomplished.

APPLICATION SUBMISSION

The Intermediary may file applications with the USDA Rural Development State Office:

Rural Development
 Attn: Business & Community Programs
 4949 Kirschling Court
 Stevens Point, WI 54481
 (715) 345-7610 phone
 (715) 345-7616 fax
 RD.BCP.SO@wi.usda.gov

** Funding amounts are determined each fiscal year and announced by a Notice in the Federal Register.*